

Exhibit 3

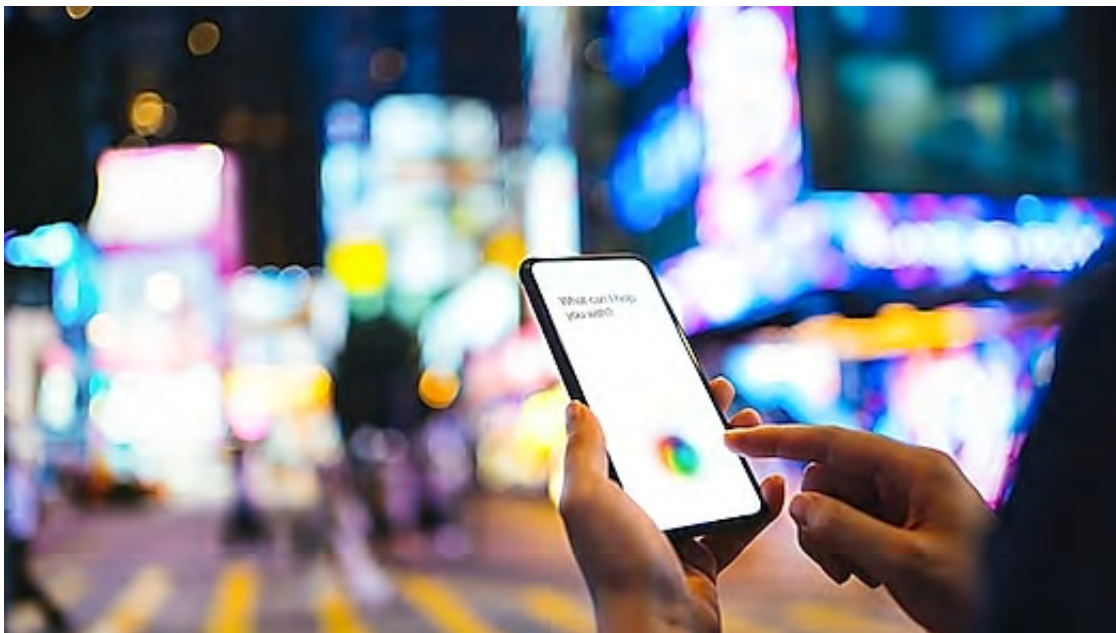
A major crypto hedge fund is wobbling as \$10 billion Three Arrows Capital sees a spate of liquidations

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As the crypto winter intensified in early June, Galaxy Digital CEO Mike Novogratz said he thinks [two-thirds of crypto hedge funds](#) will go out of business. His prediction took days to start bearing out.



After \$400 million in liquidations, a major hedge fund in the space, Singapore-based Three Arrows Capital, or 3AC, is [reportedly facing](#) insolvency, and many dominos look likely to fall next.

3AC's lenders continue to come forward as the fund, which managed \$10 billion in assets in March, according to blockchain analytics firm Nansen, fails to meet margin calls and liquidates its cryptocurrency holdings, adding more downward pressure on the beleaguered market.

There were "some major shifts in [3AC's] positions" early in the week, Andrew Thurman, content lead and analyst at leading blockchain data firm Nansen, told *Fortune* on Tuesday. "I don't want to comment on what that might mean for their health, but it's clear that they're reshuffling major portions of their holdings."

As rumors began to swirl of possible insolvency, 3AC cofounder Su Zhu was initially silent, then [seemed to acknowledge](#) the turbulence

on Tuesday, tweeting, "We are in the process of communicating with relevant parties and fully committed to working this out."

Cryptocurrency lender [BlockFi is among the most recent](#) to liquidate some of 3AC's positions, according to the Financial Times. BlockFi CEO Zac Prince confirmed its exit in a [Thursday tweet](#): "BlockFi can confirm that we exercised our best business judgment recently with a large client that failed to meet its obligations on an overcollateralized margin loan. We fully accelerated the loan and fully liquidated or hedged all the associated collateral."

Since then, others with exposure to 3AC have come forward. Finblox, a platform offering users up to 90% yield to deposit their cryptocurrency, [reduced its withdrawal limits by two-thirds](#) and cited its relationship with 3AC.

On [Twitter](#), Deribit, a cryptocurrency derivatives exchange, claimed on Thursday that 3AC is [a shareholder of its parent company](#), adding that Deribit has "a small number of accounts that have a net debt to us

that we consider as potentially distressed."

Deribit [also tweeted](#), "Even in the event that none of this debt is repaid to us, we will remain financially healthy and operations will not be impacted. We can confirm all customer funds are safe and the full insurance fund will remain intact as is."

Danny Yuan, chief executive officer of cryptocurrency trading firm 8 Blocks Capital, also claimed to have been impacted by 3AC. "We trade in one of 3AC's trading accounts. This morning they took about [\$1 million] out of our accounts. I hope you pay us back asap," he [tweeted on Tuesday](#).

Since the [Terra ecosystem collapsed](#), with failed algorithmic stablecoin TerraUSD (UST) and cryptocurrency Luna (LUNC) becoming [nearly worthless](#), there has been a ripple effect throughout the space. One of the cryptocurrency market's biggest lending platforms, Celsius Network, paused its withdrawals on Sunday, [sparking rumors of bankruptcy](#). Reports concerning the state of 3AC followed soon after, pushing [further fears of contagion and systemic risk](#).

3AC [reportedly owned LUNC](#) alongside [other cryptocurrencies](#), and it was a hefty investor in the Grayscale Bitcoin Trust, or GBTC, the largest Bitcoin fund. According to a January 2021 SEC filing, 3AC owned almost 39 million units of GBTC at the end of 2020.

"A lot of people have reached out about what they know—many of whom have direct relationships with 3AC as well. What we learned is that they were leveraged long everywhere and were getting margin-

called," Yuan [wrote on Twitter](#). "Instead of answering the margin calls, they ghosted everyone. The platforms had no choice but to liquidate their positions, causing the markets to further dump."

3AC did not immediately respond to *Fortune's* request for comment.